

HOWARD SOIL CONSERVATION DISTRICT

JULY 2000

July, 2000

The County Council and County Executive
of Howard County, Maryland

Pursuant to Section 212 of the Howard County Charter and Council Resolution 22-1985,
we have conducted a review of selected activities of the

HOWARD SOIL CONSERVATION DISTRICT

and our report is submitted herewith. The scope of our examination related specifically to a
review of the Howard Soil Conservation District. The body of our report presents our findings
and recommendations.

The contents of this report have been reviewed with the Howard Soil Conservation
District. We wish to express our gratitude to the management of the Howard Soil Conservation
District for the cooperation and assistance extended to us during the course of this engagement.

Ronald S. Weinstein, C.P.A.
County Auditor

Stephanie J. Glaros, C.P.A.
Auditor-in-Charge

INTRODUCTION AND SCOPE

The Howard Soil Conservation District (the District) is a political subdivision of the State of Maryland which was created by State law (Agriculture Article 8-30). The District was developed as a means to help farmers and landowners implement necessary conservation practices. The District is governed by a five (5) member Board of Directors in which one (1) member is appointed by the County Executive one (1) by the State Soil Conservation Committee, one (1) by Extension Services and two (2) by the community at large. The members serve a five (5) year term in which they ensure that all the requirements of the District are being performed.

The District receives funds from Howard County Government (the County) and the Maryland Department of Agriculture (MDA). In addition the MDA provides staffing services, office equipment and supplies. The US Department of Agriculture (USDA) also provides the District with staffing services, office equipment and supplies (Attachment 1). In addition to these sources, the District receives money from small grants, fees, and fund raising efforts. All of the funds received by the district make it possible for them to help in the following ways:

- Review and approval of grading and sediment control plans.
- Implement farm conservation practices to keep soil in the fields and out of waterways.
- Conserve and restore wetlands, which purify water and provide habitat for birds, fish and numerous other animals.
- Protect groundwater resources.
- Plant trees and other land cover to hold soil in place, clean the air, provide cover for wildlife and beautify neighborhoods.
- Help developers and homeowners manage the land in an environmentally sensitive manner.
- Reach out to communities and schools to teach the value of natural resources and encourage conservation efforts.

Our audit was conducted to ensure that County laws are being adhered to, there are proper controls over cash and funds are being spent properly. This audit included discussions with the District manager and a review of governing laws, minutes of board meetings, bank statements and financial statements.

LAWS

The mission of the District is to coordinate assistance from all available sources in an effort to develop locally driven solutions to natural resource concerns. State law requires the District to perform the following tasks:

- Review and approval of grading and sediment control plans.
- Adaption of regulations establishing best management practices (BMP) for agriculture in order to conserve soil and prevent erosion.
- Preparation or approval of best management practices for the state cost-sharing program which reimburses farmers for installing BMP structures.
- Approval of small ponds and dams that otherwise would require a permit from the Maryland Department of the Environment.
- Approval of some agricultural activities in nontidal wetlands, via a soil conservation and water quality plans that include BMP.
- Approval of soil conservation and water quality plan for farmers who wish to sell easements to the County through the agricultural land preservation program.
- Receive copies of sewage sludge utilization permits issued by the Maryland Department of the Environment for farms on which sewage sludge is applied as fertilizer.
- Annually designate a chairman and officers.
- Provide for the execution of surety bonds for every employee and officer who is entrusted with funds or property.
- Provide for an annual audit of the receipts and disbursements.

Howard County law requires the District to perform the following :

- In conjunction with the Health Department, approve the types of crops to be grown on land that is used for subsurface wastewater disposal from a shared sewage disposal facility.
- Approve Erosion and Sediment Control plans before grading permits can be issued.

FUNDING

The District receives funds from the County and the MDA. In order to receive funds from

these sources the District must go through the formal budget process. In addition to these funds the District also receives in kind services from the USDA. Funds are also received through fees, small grants and fund-raising efforts (Attachments 2 and 3).

The County approved the District budget of \$487,282 for FY 2000. This budget will provide for staffing needs, supplies, materials, business and education expenses and other operating expenses. The district does not receive any cash from the County. Instead, when there are expenditures associated with the County budget the expenditure will be invoiced and sent to the County's Finance Department. At that time the County would be responsible for making the payment and recording the expenditure in the County's financial system.

The MDA granted the District a budget of \$54,384 for FY 2000. This budget will also provide for additional staffing needs, supplies, materials, business and education expenses and other operating expenses. In addition the MDA also provides the District with in-kind services- staffing, supplies and vehicles, which can not be quantified. The District maintains a separate bank account for these funds. MDA requires the District to prepare a monthly report of current expenditures and remaining budget balances. On a quarterly basis the District invoices MDA for all expenses.

The USDA provides the District with in-kind services - staffing, supplies and vehicles. The USDA funds are managed and accounted for by the National Resources Conservation Service's (NRCS) State Office.

The District also obtains money through fees, grants, fund-raising, etc. These funds are maintained in a separate account. These funds include both restricted and unrestricted items. The restricted items must be used as required by the grant or as requested by the donor. The unrestricted funds are used at the discretion of the Board for donations, events and other miscellaneous items.

FUNCTIONS

The district develops conservation and water quality plans to address soil erosion, water pollution, nutrient and pesticide management, wildlife habitat enhancement, forest management and wetland protection. The District has set a goal of developing ninety-eight (98) - 6,400 acre, new conservation plans and forty (40) - 1,950 acre, revised plans in FY 2000.

The District also conducts land surveys and prepares engineering designs for conservation related structures such as ponds, water troughs, diversions, animal waste storage structures and grass waterways. The District is responsible for providing construction supervision to assure proper

installations of practices.

The District reviews and approves sediment control and storm water management plans for construction sites. They have set a goal for FY 2000 of reviewing fifty (50) stormwater management plans and/or eight hundred (800) sediment and erosion control plans. The District has two employees that perform these tasks. The District set a goal of having the review completed within seventeen days, although we were not able to verify if this goal was being met. We spoke with Richard Powell, Chief of Sediment Control who informed us that sediment control is receiving approved plans in a timely manner. The District also provides assistance to County sediment control inspectors in resolving on-site problems. They perform wetland delineations and verifications on proposed development sites and on farms along with performing wetland delineations for County capital projects, the Agricultural Land Preservation Program, the Board of Education and the Department of Recreation and Parks.

The District carries out a broad-based information and education program to disseminate information about conservation of the natural resources. In FY 2000, they are planning on providing educational and outreach programs to 150 agricultural landowners and operators.

On an annual basis all of the District's staff prepares their anticipated workload for the upcoming year based on historical figures. The staff's anticipated workload is then summarized and made the "Plan of Operation". This plan is then approved by the District's Board of Directors. Once approved, the plan is sent to the MDA. On an annual basis the staff prepares a summary of all work performed for the year to ensure that their goals have been met. We compared the work completed by the staff to the District's goal and determined that all of their goals, as stated in the workload analysis, have been met.

STAFFING

The District is comprised of thirteen (13) employees of which two (2) are Maryland State employees, four (4) are a Federal Government employees and the remaining seven (7) are Howard County employees. The State has hired a Conservation Planner II and a Conservation Associate II which are paid for through the State budget. These two (2) employees are responsible for agriculture related work only. They were assigned to the conservation district to assist with programs that the MDA and the District have in common. The USDA - NRCS has hired a District Conservationist to provide technical expertise to the District. The District Conservationist acts as the manager for technical issues, but does not get involved in any financial issues. The USDA-NRCS has also

provided the District with two (2) Soil Scientists and one (1) Resource Planner to assist with technical issues. Howard County funds seven positions to include District Manager, Administrative Support Technician, Administrative Aide and four Engineering Specialists. The District Manager acts as the spokesperson for the District as well as being responsible for financial issues. The engineering specialists perform various types of reviews and planning. These positions are appointed by the district board for the benefit of the County. Under state requirements, the County agrees to fund these positions. Both the District Manager and the Administrative Support Technician positions are cost shared with MDA. MDA pays approximately 13.3% and 19.5% for these positions, respectively.

FINDINGS AND RECOMMENDATIONS

_____Our audit concentrated on the District's control over and spending of County funds. As previously stated, the District does not receive the actual cash from the County. All expenditures are invoiced and sent to Howard County Department of Finance for payment. The County also tracks all of the spending through LGFS, the County's financial accounting system. All expenditures over five thousand dollars were examined by our office for reasonableness. In addition to the testing we performed on the County funds, we also examined the funds that the District receives through their own fund raising efforts. We reviewed the monthly minutes of the Board of Directors meetings for any significant cash receipts or expenditures. We also reviewed the bank statement and checkbook to ensure that all amounts were reasonable and the laws that govern the District to determine if they are being adhered to. We obtained a copy of the annual audit prepared by the external auditor (Attachment 4). During the review noted above, we did not find any exceptions.

In our discussions with the District Manager we discovered that there were some written Policy and Procedures on financial issues. These Policies and Procedures are not kept in a formal book that is easily accessible by all employees. Having written policy and procedures would allow management to better monitor the progress of the District. These policies and procedures would be a useful training tool for new employees. We therefore recommend that:

1. **Written Policy and Procedures be developed for all functions of the District and be easily accessible to all employees.**

SG:dl-hscd

MEMORANDUM

January 9, 2003

MEMO TO: Robert Ziehm
District Manger

FROM: Ronald S. Weinstein
County Auditor

SUBJECT: Review of Howard Soil Conservation District

In accordance with Section 212 of the Howard County Charter and Council Resolution 22, 1985, the Office of the County Auditor performs reviews of internal controls and operational policies of all agencies of the County Government. We plan to initiate an audit of the Howard Soil Conservation District in the near future.

Stephanie Glaros will be the auditor-in-charge of this engagement and will be contacting your office next week to arrange for an entrance conference at which time we will present the planned scope and procedures to be employed. In the meantime, if you have any questions in connection therewith, please contact her at ext. 3064.

Thank you for your cooperation in this matter.

SG:dl-HSCD

cc: Council Members
James Robey, County Executive
Raquel Sanudo, Chief Administrative Officer